

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. P-848
---	------------------

**ORDER ESTABLISHING PROCEDURAL SCHEDULE AND PROPOSING TO  
TAKE OFFICIAL NOTICE AND NOTICE OF HEARING**

(Issued June 28, 2004)

On March 12, 2004, Interstate Power and Light Company (IPL) filed a petition and exhibits for a permit to amend Pipeline Permit No. 1208 to construct, operate, and maintain a natural gas pipeline approximately 4.91 (later amended to 4.65) miles long in Cerro Gordo County, Iowa. The proposed 10-inch diameter pipeline will transport natural gas from IPL's existing 20-inch diameter pipeline located on the Emery Generating Station site to provide natural gas to the Golden Grain Ethanol Plant south of Mason City, Iowa. In the future, IPL may use the pipeline to provide an additional source of natural gas for its distribution system in Mason City. IPL filed amendments to its petition and exhibits on April 8, April 27, and May 4, 2004.

On June 23, 2004, the Utilities Board (Board) assigned this proceeding to the undersigned administrative law judge.

### **THE BOARD'S AUTHORITY AND JURISDICTION**

The Board has authority to grant permits for pipelines in whole or in part upon terms, conditions, and restrictions as to safety requirements, and as to location and route, as it determines to be just and proper. Iowa Code §§ 479.12 and 479.18 (2003).

To obtain a permit, the petitioner must show that the services it proposes to render will promote the public convenience and necessity. Iowa Code § 479.12. The petitioner must also satisfy the financial requirements of Iowa Code § 479.26.

### **THE ISSUES**

Pursuant to Iowa Code §§ 479.7 and 479.8 and 199 IAC 10.6, this matter will be set for a public hearing for the presentation of oral and documentary evidence and the cross-examination of witnesses concerning the public convenience and necessity issue, any safety issues, any pipeline location and route issues, the financial issues, land restoration plan issues, and issues raised by objectors or any other party. The conduct of this case is governed by Iowa Code Chapters 17A and 479, and § 476.27, and by Board rules at 199 IAC Chapter 10.

### **PREPARED TESTIMONY AND EXHIBITS**

All parties will be given the opportunity to present and respond to evidence and argument on all issues, and to be represented by counsel at their own expense. Iowa Code § 17A.12(4). The proposed decision and order that the administrative law

judge will issue in this case must be based on evidence contained in the record and on matters officially noticed in the record. Iowa Code § 17A.12(8). Unless contrary arrangements are made on the record at the hearing, all evidence will be received at the hearing, and the record will be closed to any further evidence at the conclusion of the hearing.

The submission of prepared evidence prior to hearing will help to identify disputed issues of fact to be addressed at the hearing. Prepared testimony contains all statements that a witness intends to give under oath at the hearing, set forth in question and answer form. When a witness who has submitted prepared testimony takes the stand, the witness does not ordinarily repeat the written testimony or give a substantial amount of new testimony. Instead, the witness is cross-examined by the other parties concerning the statements already made in writing. The use of prepared testimony prevents surprise at the hearing and helps each party to prepare adequately for the hearing, so that a full and true disclosure of the facts can be obtained. Iowa Code §§ 17A.14(1), 17A.14(3) and 479.11. This procedure also tends to diminish the length of the hearing, and spares the parties the expense and inconvenience of additional hearings.

IPL must submit prepared testimony and exhibits in accordance with the procedural schedule set forth in this order. At a minimum, IPL's prepared testimony must address the issues listed above. In addition, IPL must clarify what the minimum distance will be between the pipeline and the 161 kV and 69 kV electric transmission

line towers discussed in the report dated June 7, 2004, filed in this docket by Mr. Jeffrey L. O'Neal.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) and any objectors may also file prepared testimony and exhibits before the hearing in accordance with the procedural schedule.

Parties other than IPL who choose not to file prepared testimony and exhibits before the hearing will not be precluded from participating in the proceedings. If an objector, for example, does not intend to present evidence going substantially beyond the information contained in the letter of objection, it is unnecessary for the objector to file prepared testimony. However, when a party has a substantial amount of information to present to the Board about the petition, if the information has not been previously disclosed to the Board, it should be presented in the form of prepared testimony and exhibits according to the procedural schedule established below.

#### **PARTY STATUS**

IPL and the Consumer Advocate are currently the only parties to this proceeding. Iowa Code §§ 17A.2(8) and 475A.2(2). No one has filed an objection to the petition as of the date of this order. IPL does not request the right of eminent domain for this pipeline.

Anyone who has filed or will file an objection pursuant to Iowa Code §§ 479.9 and 479.10 and 199 IAC 10.5 will also be presumed to be a party to this case.

However, no objector is entitled to party status merely because that person has written a letter of objection. In order to qualify as a party, the objector must be able to demonstrate some right or interest that may be affected by the granting of the permit. Iowa Code § 479.9. An objector's status as a party may be challenged at the hearing, and an objector who cannot demonstrate a right or interest that may be affected by the granting of the permit will no longer be considered a party. Therefore, at a minimum, objectors should be prepared to give evidence that will explain the nature of their specific rights or interests they believe should be protected, and will show how these rights or interests will be affected by the pipeline. As has already been noted, to the extent that the evidence goes substantially beyond information already communicated to the Board in an objection letter, it should be reduced to writing and filed as prepared testimony according to the procedural schedule established below.

Because objectors will be presumed to be parties up to the time of the hearing, an objector will receive copies of all documents that are filed in this docket after the letter of objection has been filed with the Board. This means that if a person files an objection after some or all of the prepared testimony and exhibits has been filed with the Board by other parties, the objector should make direct contact with the parties who have already filed prepared testimony and exhibits in order to obtain a copy of those materials. The official file of this case will be available for inspection at the

Utilities Board Records and Information Center, 350 Maple Street, Des Moines, Iowa.  
199 IAC 1.9(1).

Objections must be filed no less than five days prior to the date of hearing.  
Late-filed objections may be permitted if good cause is shown. 199 IAC 10.5.  
Objections must be made in writing and filed with the Executive Secretary of the  
Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

After an objector has filed a letter of objection, all further communications from  
the objector to the Board having to do with this case (including motions or prepared  
testimony and exhibits) should be sent to the Executive Secretary of the Board. A  
party (including objectors) must file an original and two copies of each  
communication with the Executive Secretary and the party must send one copy to  
each of the other parties to this case, except that three copies must be sent to the  
Consumer Advocate. 199 IAC 1.8. Along with the communication being sent, the  
party must file with the Board a certificate of service that conforms to 199 IAC  
2.2(16), which verifies a copy of the document was served upon the other parties.

These procedures are necessary to comply with Iowa Code § 17A.17, which  
prohibits ex parte communication. Ex parte communication is when one party in a  
contested case communicates with the judge without the other parties being given  
the opportunity to be present. In order to be prohibited, the communication must be  
about the facts or law in the case. Calls to the Board to ask about procedure or the  
status of the case are not ex parte communication. Ex parte communication may be

oral or written. This means the parties in this case may not communicate about the facts or law in this case with the undersigned administrative law judge unless the other parties are given the opportunity to be present, or unless the other parties are provided with a copy of the written documents filed with the Board.

The parties should examine 199 IAC Chapter 10 and 199 IAC 1.8 for other substantive and procedural rules that apply to this case. There is a link to the administrative rules on the Board's website at [www.state.ia.us/iub](http://www.state.ia.us/iub).

### **PROPOSAL TO TAKE OFFICIAL NOTICE**

Mr. Jeffrey O'Neal, regulatory engineer for the Board's Safety & Engineering Section, has prepared a report in the form of a memo dated June 7, 2004, concerning IPL's petition. Mr. John Bloome, Utility Regulatory Inspector for the Board, has prepared a report in the form of a memo dated May 10, 2004. Copies of the memos are attached to this order. Pursuant to Iowa Code § 17A.14(4), the undersigned administrative law judge proposes to take official notice of the memos and of the facts contained therein, thus making them a part of the record of this case. Iowa Code § 17A.12(6)(c). Any party objecting to the taking of official notice of the memos must file such objection as soon as possible, and no later than five days prior to the hearing. The parties will have the opportunity to contest any information contained in the memo in prepared testimony and at the hearing. Mr. O'Neal and Mr. Bloome will be present at the hearing and available for cross-examination regarding their memos.

**IT IS THEREFORE ORDERED:**

1. Each person who files a letter of objection to IPL's petition in this docket will be presumed to be a party in the proceeding unless it is established at hearing that the objector has no right or interest that may be affected by the pipeline.

2. Objections must be made in writing and filed with the Executive Secretary of the Board, 350 Maple Street, Des Moines, Iowa 50319-0069, no later than five days before the hearing. Objectors must file an original and two copies of all subsequent communications to the Board with the Executive Secretary. The communications must be accompanied by a certificate of service as discussed in this order.

3. The following procedural schedule is established:

a. On or before July 15, 2004, IPL must file prepared direct testimony relating to its petition as discussed in this order.

b. If the Consumer Advocate or any objector chooses to file prepared responsive testimony, it must do so on or before July 29, 2004.

c. A public hearing for the presentation of evidence and the cross-examination of witnesses concerning the issues identified in this notice of hearing will be held beginning at 10 a.m. on Wednesday, August 4, 2004, in Board Conference Room 3, 350 Maple Street, Des Moines, Iowa 50319. Each party must provide a copy of its prefiled testimony and exhibits to the court reporter at the hearing, or must make arrangements for such provision if not



physically present at the hearing. The hearing will be by telephone conference call unless any objections are filed, or unless any party files an objection to a telephonic hearing at least five days prior to the hearing. Parties and persons who wish to be connected to the hearing must dial 1-866-708-4636 to reach the bridge line. Persons with disabilities who will require assistive services or devices to observe this hearing or participate in it should contact the Board at (515) 281-5256 no later than July 30, 2004, to request that appropriate arrangements be made.

4. Required number of copies. All parties must file an original and two copies of all documents filed with the Board. 199 IAC 1.8(4)"d".

5. The undersigned administrative law judge proposes to take official notice of Mr. O'Neal's memo dated June 7, 2004, and of Mr. Bloome's memo dated May 10, 2004, that are attached to this order, and of the facts contained in the memos. Any party objecting to the taking of official notice of the memos should file such objection as soon as possible, and must file such objection no later than five days prior to the hearing.

6. Pursuant to Iowa Code §§ 17A.12(1) and 199 IAC 10.4, a copy of this order will be served by ordinary mail upon IPL and the Consumer Advocate. No persons have filed objections to the petition as of the date of this order.

7. IPL must work with Board staff regarding publication of notice pursuant to Iowa Code § 479.7 and 199 IAC 10.4, and must file proof of publication prior to or at the hearing.

**UTILITIES BOARD**

/s/ Amy L. Christensen  
Amy L. Christensen  
Administrative Law Judge

ATTEST

/s/ Judi K. Cooper  
Executive Secretary

Dated at Des Moines, Iowa, this 28<sup>th</sup> day of June, 2004.

**Department of Commerce  
UTILITIES DIVISION  
SAFETY & ENGINEERING SECTION**

**TO: Docket No. P-848, Amendment No. 1**

**FROM: Jeffrey L. O'Neal**

**DATE: June 7, 2004**

**SUBJ: Staff Review of Interstate Power and Light Company Petition for Pipeline Permit Amendment for 4.65 Miles of 10-inch Diameter Natural Gas Pipeline in Cerro Gordo County, Iowa.**

On March 12, 2004, Interstate Power and Light Company (IP&L) filed a Petition for Pipeline Permit Amendment with the Utilities Board (Board) for a proposed natural gas transmission pipeline in Cerro Gordo County, Iowa. On April 8, 2004, IP&L filed a revised petition reflecting a modification of the proposed route. By letter dated March 19, 2004, Board staff advised IP&L of petition deficiencies requiring correction, and requested additional information on certain items. (The date printed on the letter was incorrect. This letter was actually mailed on April 19, 2004, not March 19, 2004.) On April 27, 2004, IP&L filed a revised petition and exhibits and provided additional information. By letter dated April 28, 2004, Board staff advised IP&L of one additional deficiency requiring correction. On May 4, 2004, IP&L filed a revised exhibit correcting the deficiency. On April 20, 2004, John Bloome, Utility Regulation Inspector, conducted a field examination of the proposed route. Mr. Bloome filed a report regarding the route inspection on May 10, 2004. On June 4, 2004, IP&L filed an investigation summary report by EN Engineering.

The petition as amended is for construction of 4.65 miles of 10-inch diameter steel pipeline.

No informational meeting was held for this project. An informational meeting was not required because the proposed pipeline project is less than 5 miles long. See 199 IAC 10.3.

The proposed pipeline would extend from IP&L's existing 20-inch diameter pipeline that provides natural gas to its Emery Generating Station, to provide natural gas to the Golden Grain Ethanol plant south of Mason City, Iowa. In addition, in the future the pipeline may be used to provide an additional source of gas for the distribution system in Mason City. The proposed pipeline would operate at a maximum allowable operating pressure of 1050 psig, the same as the existing 20-inch pipeline.

The existing 20-inch diameter pipeline was constructed in 2003. On June 18, 2003, the Board issued Pipeline Permit No. 1208 in Docket No. P-848, for the Power Iowa Energy Center Lateral, granting permission to IP&L to construct, operate, and maintain a pipeline in Cerro Gordo and Hancock Counties, Iowa, for the transportation of natural gas at a maximum operating pressure of 1050 psig. The existing 20-inch pipeline was originally constructed primarily to provide natural gas to fuel IP&L's Emery Generating Station, but during the 2003 proceedings, IP&L indicated it planned to extend the pipeline in the future to supply natural gas to an ethanol plant and to provide an alternate supply of natural gas to Mason City.

### **Route**

The route of the proposed pipeline was examined on April 20, 2004. See John Bloome report dated May 10, 2004. The report concluded, "The examination of the route found no safety code compliance or unusual construction issues, or other related matters that need to be addressed in this docket."

The entire route is in a Class 1 location as defined by Federal Minimum Safety Standards in 49 CFR Part 192. Class 1 is the lowest population density classification. (See § 192.5 for definitions of class locations.)

The route is on flat agricultural land, with no nearby buildings or residences, and with the exception of road crossings, the route is entirely on private right-of-way.

### **Petition**

Natural gas pipelines must comply with the federal pipeline safety standards of 49 CFR Part 192, which have been adopted by the Board in 199 IAC 10.12(1)"b". Although the proposed route is in a Class 1 (rural) location, IP&L plans to construct and test the pipeline to more stringent Class 3 (urban) location standards. IP&L states in Exhibit F that although the pipeline is currently in a class 1 location, the area near the ethanol plant site is seeing more commercial growth, and that trend is expected to continue. IP&L states it is constructing the pipeline to class 3 standards due to the possibility that future development may result in a change in the class location. IP&L's decision to construct and test the pipeline to Class 3 standards seems prudent, given the possibility that the class location could change in the future. IP&L plans to use PSL 2 pipe, which is more resistant to rupture than the alternative PSL 1 pipe. (Both PSL 1 pipe PSL 2 pipe comply with the safety standards.)

Portions of the proposed pipeline will parallel 161 kV and 69 kV electric transmission lines. An investigation summary report prepared by EN Engineering, and filed by IP&L on June 4, 2004, addresses corrosion control design and the design, construction, operation and maintenance implications of the electric transmission lines running parallel to the pipeline. The EN Engineering report finds that the pipeline should be installed a minimum of 10 feet from the electric transmission line towers to prevent conductive coupling. The EN Engineering report finds that the highest induced AC voltage will be well below the level considered to be hazardous to personnel safety, and concludes that other than the protection of isolation flanges, the use of dead-front<sup>1</sup> test stations through this area, and the use of proper construction practices when working beneath or along AC power lines, no special precautions will be required due to the proximity of the electric transmission lines. It appears IP&L has adequately addressed the possible effects of the electric transmission lines on the pipeline, and plans to take appropriate actions. However, to clarify it for the record, IP&L should be asked to state in its prefiled testimony what the minimum distance will be between the pipeline and the 161 kV and 69 kV electric transmission line towers.

The proposed route is on agricultural land. IP&L's Agricultural Land Restoration Plan appears to comply with the applicable provisions of I99 IAC Chapter 9.

No objections have been filed as of the date of this report.

### **Conclusions**

I have reviewed the petition and exhibits in this docket. With the exception of requesting IPL clarify in its prefiled testimony the minimum distance the pipeline will be installed from the 161 kV and 69 KV electric transmission line towers, the information presented shows the proposed pipeline would comply with all design, construction, and testing requirements set forth by the Iowa Utilities Board. The filing appears in sufficient order to set a date for hearing.

---

<sup>1</sup> A dead-front test station is one on which all electrical connections are covered or recessed to prevent accidental contact.

**IOWA DEPARTMENT OF COMMERCE  
UTILITIES DIVISION  
SAFETY AND ENGINEERING SECTION**

**TO: The File**

**DATE: May 10, 2004**

**FROM: John Bloome**

**FILE: P-848 Amendment No. 1**

**SUBJECT: Petition for Pipeline Permit Amendment for a Natural Gas Pipeline in Cerro Gordo County, Iowa, for the Iowa Power Energy Center Lateral.**

The route of the above mentioned proposed natural gas pipeline was inspected on April 20, 2004. Exhibit A, Exhibit B (a route map), and assistance from Jim House, Lead Gas Engineer, Iowa Power and Light Company, were used. The pipeline will be constructed of approximately 4.65 miles of 10.75 inch outside diameter, 0.250-inch and 0.365-inch wall thickness API 5L X-60 steel millwrapped coated pipe with a proposed Maximum Allowable Operating Pressure (MAOP) of 1050 psig.

The proposed route for the 10.75-inch steel pipeline begins on the west terminus of IPL's existing natural gas pipeline, located on the Emery Generating Station site, in the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 35, T-96N, R-21W, Cerro Gordo County, Iowa thence East parallel and adjacent to the north side of an electric transmission line a distance of approximately 1.95 miles. Thence Northeasterly and Northerly on private easement parallel and adjacent to the east ROW line of a railroad a distance of approximately 1.10 miles. Thence East .75 miles on private easement parallel and adjacent to the south ROW line of U.S. Highway 18. Thence North .5 miles on private easement parallel and adjacent to the west side of a railroad and electric line and crossing under U.S. Hwy 18. Thence East .25 miles on private easement crossing said railroad and electric line and being parallel and adjacent to the south ROW of 240<sup>th</sup> Street. Thence North .1 mile on private easement and crossing said street terminating at IPL's regulator station located in the Southwest Quarter (SW ¼) of the Southeast Quarter (SE ¼) of Section 20, T-96N, R-20W, Cerro Gordo County, Iowa. Refer to Exhibit A (revised 4/21/2004) for complete legal description of the pipeline route.

The entire proposed pipeline route is located within private right-of-way in a Class 1<sup>2</sup> location. The pipeline route passes within approximately 300 yards of a farmhouse. There are no other buildings near the proposed pipeline. The terrain along the proposed route is flat and consists mainly of row cropped agricultural land. The pipeline route crosses three secondary county gravel roads at right angles, US Highway 18, a creek twice, and one railroad twice. All crossings will be directorially bored with

---

<sup>2</sup> Class locations are a population density index from 49 CFR Part 192 Section 5. Class 1 indicates little if any development near the route.

no foreseen construction problems. The remainder of the construction will be traditional open cut trenching.

The examination of the route found no safety code compliance or unusual construction issues, or other related matters that need to be addressed in this docket.